

28 September 2023

**AB Dynamics plc**

**Pre-close Trading Update**

AB Dynamics plc ("AB Dynamics", the "Company" or the "Group"), the designer, manufacturer and supplier of advanced testing, simulation and measurement products to the global transport market, issues the following trading update for the year ended 31 August 2023 ("FY23"), in advance of the publication of its annual results.

**Trading update**

Following a strong performance in H1, the Group is pleased to report that trading momentum was sustained during the second half of the year. The Group saw continued good performance in the track testing sector and particularly strong growth in the laboratory testing and simulation sector, which benefitted from an earlier than expected delivery of a large, high margin contract. Further progress has also been made through FY23 in developing the ABD Solutions offering. In addition to the significant organic growth achieved, a strong performance was delivered by Ansible Motion, the simulator business acquired during the year.

In light of the better than anticipated trading in the latter part of the year, the Board expects revenue for FY23 to exceed £100m for the first time. Enhanced by the significant productivity and capability investment made over recent years, the strong revenue growth is anticipated to translate into a full year adjusted operating profit result that is above the top end of the range of current market expectations<sup>1</sup>.

**Financial position**

The Group maintained its track record of strong operating cash conversion, with net cash at 31 August 2023 of £32.0m (2022: £29.2m) after funding the initial consideration for the acquisition of Ansible Motion.

**Outlook**

Alongside sales, order intake continued to be strong through the second half of FY23, providing good momentum as the business enters FY24.

<sup>1</sup> Company compiled analyst expectations for the year ended 31 August 2023 is for adjusted operating profit in the range of £14.7m to £15.9m.

*Certain information contained in this announcement would have constituted inside information (as defined by Article 7 of Regulation (EU) No 596/2014), as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR") prior to its release as part of this announcement and is disclosed in accordance with the Company's obligations under Article 17 of those Regulations.*

**Enquiries:**

**AB Dynamics plc**

Dr James Routh, Chief Executive Officer  
Sarah Matthews-DeMers, Chief Financial Officer

01225 860 200

**Peel Hunt LLP**

Mike Bell  
Ed Allsopp

0207 418 8900

**Teneo**

James Macey White  
Matt Low

0207 353 4200

The person responsible for arranging the release of this information is Felicity Jackson, Group Legal Counsel.

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